



October 9, 2013

Item No. 9

**AUTHORIZATION TO EXERCISE THREE, ONE-YEAR OPTIONS OF CONTRACT NO. 11174
WITH MESIROW INSURANCE SERVICES, INC., A DIVISION OF MESIROW FINANCIAL FOR
INSURANCE BROKERAGE AND CONSULTING SERVICES**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners ("Board") authorize the Chief Executive Officer or his designee to exercise the first one-year option of Contract No. 11174 ("Contract") with Mesirow Financial for the period of October 24, 2013 to October 23, 2014 in the amount of \$80,531.50. It is also recommended, subject to funding availability, that the Board authorize the CEO or his designee, at either of their discretion and annual review of contract performance, to exercise the second-year option for the period of October 24, 2014 through October 23, 2015 and third-year option for the period of October 24, 2015 through October 23, 2016, each for the amount of \$80,531.50, for a total amount not-to-exceed \$241,594.50 for all three option periods. The aggregate total of the base contact and the three (3) one-year options will be \$325,499.50.

The Chief Financial and Administrative Officer of Finance, the Office of the General Counsel and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

PLAN FORWARD GOAL

Ensure that CHA's housing portfolio is safe, decent and sustainable.

FUNDING

CHA General Fund

SOLICITATION SUMMARY

Vendor: Mesirow Insurance Services Inc., a Division of Mesirow Financial
353 North Clark Street
Chicago, IL 60654

Contract Type:

Brokerage & Consulting

Base Contract Term:

October 24, 2012 through October 23, 2013; NTE \$83,905.00

Option Year 1

October 24, 2013 through October 23, 2014; NTE \$80,531.50

Option Year 2

October 24, 2014 through October 23, 2015; NTE \$80,531.50

Option Year 3

October 24, 2015 through October 23, 2016; NTE \$80,531.50

Original Contract Amount

\$ 83,905.00

Total Three Option Years

\$241,594.50

Total Contract Amount

\$325,499.50

M/W/DBE Participation

Waiver: Yes

Section 3

Subcontracting with section 3 Business Concern - \$4,933.00

GENERAL BACKGROUND/EXPLANATION

On June 22, 2012, The Chicago Housing Authority (CHA) released Request for Proposal (RFP) No. 12-00948 to procure the professional services of a Human Resources Insurance Brokerage and Consulting firm. An insurance brokerage/consulting firm was needed to provide consulting services to Human Resources for the assessment, procurement, renewal and development of CHA's various employer sponsored insurance and employee benefits. Additionally, they were needed to assist with educating the employee population regarding federal and state requirements like COBRA, HIPPA, FMLA, USERRA and ADA.

RFP 12-00948 was posted on the CHA website. Sixty-three (**63**) firms received notification of the solicitation. Twenty-two (**22**) firms downloaded the solicitation from BuySpeed and three (**3**) firms picked up the solicitation from the CHA office. On the response due date, July 19, 2012, four (**4**) proposals were received: Mesirow Financial Insurance Services, Gallagher Benefits Services, AON Hewitt and Lambent Risk Management Services.

Mesirow Financial Insurance Services distinguished themselves from the other three firms by presenting the following:

- Significant experience with State, County and Municipal Corporations, City of Chicago sister agencies and the Chicago Housing Authority.
- Demonstrated acuity and ability in vendor relationship mediation, issue reconciliation, price negotiation, and cost containment.
- MBE/WBE history of strong working relationship which appears well managed, with best practice (SBA mentor/protégé) structure in place for managing outsourced responsibilities.
- Value added through benefits communication website with 24/7 accessibility, customizable for CHA use.

The scoring for the four firms is listed below:

Mesirow Insurance Services, Inc.	103
Gallagher Benefits Services	97
AON Hewitt	93
Lambent Risk Management Services	74

Mesirow Insurance Services, Inc. was selected under contract No. 11174 for a firm fixed fee in the amount of \$83,905.00 for the initial base contract period of October 24, 2012 through October 23, 2013, with three (3) one-year option terms at a cost of \$80,531.50 per year.

Mesirow has provided quality brokerage and consulting services for the assessment, procurement and renewal of CHA's employer sponsored employee benefit programs. The CHA is therefore requesting authorization to continue Mesirow's services for the first option year, and at the discretion of the CEO or his designee for the second and third option year periods.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The EVP of Finance concurs with the recommendation to exercise the three option years of the Contract with Mesirow Insurance Services, Inc., a division of Mesirow Financial after appropriate annual review of the contractor's performance.

The CEO/President recommends the approval to exercise the first one-year option of Contract No. 11174 with Mesirow Financial for the period of October 24, 2013 to October 23, 2014 in the amount of \$80,531.50. The CEO/President also recommends, subject to funding availability, that the Board authorize the CEO or his designee, at either of their discretion and annual review of contract performance, to exercise the second-year option for the period of October 24, 2014 through October 23, 2015 and third-year option for the period of October 24, 2015 through October 23, 2016, each for the amount of \$80,531.50, for a total amount not-to-exceed \$241,594.50 for all three option periods. The aggregate total of the base contact and the three (3) one-year options will be \$325,499.50.

RESOLUTION NO. 2013-CHA-89

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated October 9, 2013 entitled "AUTHORIZATION TO EXERCISE THREE, ONE-YEAR OPTIONS OF CONTRACT NO. 11174 WITH MESIROW INSURANCE SERVICES, INC., A DIVISION OF MESIROW FINANCIAL FOR INSURANCE BROKERAGE AND CONSULTING SERVICES;"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners ("Board") authorizes the Chief Executive Officer or his designee to exercise the first one-year option of Contract No. 11174 with Mesirow Financial for the period of October 24, 2013 to October 23, 2014 in the amount of \$80,531.50. The Board, subject to funding availability, also authorizes the CEO or his designee, at either of their discretion and annual review of contract performance, to exercise the second-year option for the period of October 24, 2014 through October 23, 2015 and third-year option for the period of October 24, 2015 through October 23, 2016, each for the amount of \$80,531.50, for a total amount not-to-exceed \$241,594.50 for all three option periods. The aggregate total of the base contact and the three (3) one-year options will be \$325,499.50.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and insurance requirements.



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